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# United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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March 29, 2019

The Honorable Steven Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Ave. NW  
Washington, DC 20220

Dear Secretary Mnuchin:

I am writing to follow up on my questions concerning the Rusal, En+ Group sanctions relief package, which we discussed during your appearance before the Senate Finance Committee on March 14. Thank you for making your staff promptly available to brief my staff and provide more insight into this matter.

During the hearing, I asked you about reports that Deripaska's children had benefitted from the sanctions relief deal through a transfer of \$100 million worth of shares of En+ from Deripaska to their trust, the Liberi Foundation. I stated that I was concerned that Deripaska's children were benefiting from a sanctions effort meant to punish him. In response, you assured me that "his children did in no way benefit from sanctions relief."

Now that my office has been briefed further by Treasury staff, I remain concerned about this matter. Although just one part in a broad deal, the transfer of shares of En+ from Deripaska to Liberi is an unnecessary element of the package that is contrary to the Treasury Department's stated objectives in this matter.

In the Treasury Department's December 19, 2018 removal notification, Office of Foreign Assets Control Director Andrea Gacki stated that one of the objectives of the relief package was structuring the deal in a way that did not involve the "transfer of funds directly or indirectly to Deripaska." You underscored this objective in your testimony, stating his children "in no way benefit from sanctions relief." However, according to information provided to my staff, the transfer of \$100 million worth of shares in En+ (1.64% of the total shares in the company) from Deripaska to his children's trust was a deliberate element of the negotiations, intended to satisfy the terms of Deripaska's divorce settlement.

In my mind, the transfer of \$100 million in restricted assets to Liberi constitutes a clear benefit to Deripaska and his children and is contrary to the statements made by you and the Treasury. It is a well-established principle in many areas of the law that a benefit conferred on a child is considered a benefit to the parent as well. The inclusion of this provision allowed Deripaska to utilize shares in a manner that otherwise would have been difficult or impossible given his status as a Specially Designated National. The inclusion of this transfer casts a shadow over the Treasury Department's decision making and candor.

In light of these concerns, please answer the following questions.

1. Why did the Treasury Department make the determination that it was appropriate to include the transfer of shares in En+ from Deripaska to his children as part of the sanctions relief package?
2. Why did the Treasury Department decide not to publicly disclose the transfer of shares in En+ from Deripaska to his children?
3. Did you know about the transfer of shares from Deripaska to Liberi when you testified before the Senate Finance Committee that "his children did in no way benefit from sanctions relief"?

Thank you for your attention to this matter.

Sincerely,



Ron Wyden  
Ranking Minority Member